

DEPARTMENT OF HEALTH SERVICES

Division of Drinking Water and Environmental Management

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December 27, 2000

Public Water Systems
Interested Parties**NOTICE OF AVAILABILITY FOR PUBLIC REVIEW AND COMMENT:**

1. DRAFT INTENDED USE PLAN FOR DRINKING WATER STATE REVOLVING FUND
FFY 2001 FUNDING
 2. DRAFT 2000 UPDATED PROJECT PRIORITY LIST FOR DRINKING WATER STATE
REVOLVING FUND
 3. DRAFT 2000 UPDATED SOURCE WATER PROTECTION PROJECT PRIORITY LIST
FOR DRINKING WATER STATE REVOLVING FUND
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1. **DRAFT INTENDED USE PLAN FOR DRINKING WATER STATE REVOLVING FUND
FFY 2001 FUNDING**

The Drinking Water State Revolving Fund (DWSRF) program was established by state and federal statutes to provide funds for (1) low cost loans to public water system for improvement projects to meet health-based drinking water standards, and (2) activities related to source water protection and improvement in water system reliability.

Active implementation of the California DWSRF program began in 1998 when California received the Federal Fiscal Year (FFY) 1997 federal DWSRF grant award. Along with the federal DWSRF grant application to the U.S. Environmental Protection Agency (USEPA), the state develops an Intended Use Plan, which describes how the program is structured, the planned use of the funds, the criteria and methods to be used for distribution of the funds, the goals for the program, and a specific Project Priority List. California received its second DWSRF grant award in 1999, representing funds earmarked from the FFY 1998 federal budget. California received its third DWSRF grant award in August 2000 representing funds earmarked from the FFY 1999 federal budget. In October 2000 the Department submitted its application for the FFY 2000 federal allocation.

DHS is hereby announcing the availability of the draft 2001 Intended Use Plan, which describes the proposed uses of the 2001 federal capitalization grant funds. It is anticipated that once finalized, DHS will submit the Intended Use Plan with the Capitalization Grant application to the USEPA before August 2001.

The amount of \$84.5 million has been reserved by USEPA for allotment to California for the fiscal year 2001 DWSRF grant. Consistent with previous years, DHS proposes to utilize only 8.4 percent of the 2001 funds for administration, technical assistance, and capacity development set-aside activities not directly providing funding for water system projects. DHS proposes continuing to set aside 5 percent of federal funds for the loan program for Source Water Protection Projects. The remaining 86.6 percent of federal

funds, plus all state matching funds, will be used to fund DWSRF projects. The California Drinking Water Source Assessment and Protection Program will continue, using funds earmarked for that purpose from earlier federal DWSRF grants.

2. **DRAFT 2000 UPDATED PROJECT PRIORITY LIST FOR DRINKING WATER STATE REVOLVING FUND**

DHS periodically updates the DWSRF Project Priority List for DWSRF funding. This priority list is a ranking of all public water system projects that have applied to be considered for DWSRF funding in the near future. Only those projects listed on the Project Priority List are eligible for funding consideration.

The existing 1999 Updated Project Priority List includes over 3400 projects. On June 5, 2000, DHS advised all public water systems of the opportunity to submit additional projects for incorporation into the Project Priority List. Pre-applications for 200 new or revised projects were received by DHS during that open pre-application period. Projects listed on the 1999 Updated Project Priority List remain on the draft 2000 Updated Project Priority List.

The 2000 Updated Project Priority List will be used to fund projects during the 2001-2002 fiscal year. When finalized, the 2000 Updated Safe Drinking Water Project Priority List will be used until superceded.

3. **DRAFT 2000 UPDATED SOURCE WATER PROTECTION PROJECT PRIORITY LIST FOR DRINKING WATER STATE REVOLVING FUND**

Pursuant to federal and state statutes, a portion of the federal grant for the DWSRF may be used by the state to fund source water protection projects (SWPPs). DHS announced the initial pre-application period for source water protection projects on October 15, 1999. The initial list included 53 projects requesting funding of over \$23 million.

On September 15, 2000 DHS advised all public water systems of the opportunity to submit additional projects for incorporation into the Source Water Protection Project Priority List. Pre-application submitted during that open pre-application period will be incorporated into a draft 2000 Updated Source Water Protection Project Priority List, and projects from the initial list will also remain on the updated listing.

AVAILABILITY OF DOCUMENTS AND SUBMISSION OF COMMENTS

With respect to each draft project priority list (DWSRF and SWPP), the inclusion of a project on the priority list does not obligate a water system in any way, nor is there any guarantee that listed projects will result in the awarding of financial assistance. Furthermore, the inclusion of a project on a funding priority list does not excuse or postpone the requirements for a system to comply with drinking water standards or other regulatory requirements, regardless of whether or not project funding is made available through one of these programs. Finally, in order to receive funding, an applicant must meet financial and other criteria and must agree to comply with state and federal regulatory requirements in order to enter into a loan agreement.

Interested parties may obtain the draft 2001 Intended Use Plan, the draft 2000 Updated SRF Project Priority List, and the draft updated 2000 Source Water Protection Project priority List via the Internet at: <http://www.dhs.ca.gov/ps/ddwem/srf/srfindex.htm>. Alternatively, interested parties can purchase copies of these documents from DHS at a cost of \$10.00 each by contacting Uyen Trinh-Le, IUP Review Coordinator, at (916) 323-6111.

DHS will hold one public hearing to receive comments on the draft 2001 Intended Use Plan and related priority lists as follows:

Wednesday, January 31, 2001
9:00 a.m. to 11:00 a.m.
Department of Health Services
Auditorium, Continental Plaza
601 North 7th Street
Sacramento

Written comments on these four items can be submitted to DHS at:

Drinking Water State Revolving Fund Program
Attn: Uyen Trinh-Le
601 North 7th Street, MS 92
P.O. Box 942732
Sacramento, CA 94234-7320
Fax (916) 323-1382

In order for written comments to be considered, they must be received at the DWSRF Sacramento office by 5:00 p.m. on Wednesday, January 31, 2001, or postmarked no later than January 31, 2001. Alternatively, written comments may be submitted to DHS at the hearing. If you have questions regarding the draft 2001 Intended Use Plan, please contact Nadine Feletto at (916) 323-6111.

Sincerely,

Robin Hook, Chief
Safe Drinking Water State Revolving Fund and
Small Water System Section